

GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Attachment of Properties of Sri Kona Venkatanarayana and others of Sri Sailatha Chit Funds Company and M/s. Srilatha Financiers, Vijayawada, under Section 3 of Andhra Pradesh Protection of Depositors of Financial Establishments Act, 1999, (A.P. Act No.17 of 1999) –Orders –Issued

HOME (GENERAL.B) DEPARTMENT

G.O.Ms.No: 295.

Dated: 09-6-2009.

Read the following:-

- 1) G.O.Ms.No.349, Home(Genl.)Deptt, dated:29-10-1999
- 2) From Commissioner of Police, Vijayawada,  
Letter .No.1174/M1/2009, dated: 06-5-2009 received through  
DGP, A.P., Hyderabad, Lr .No.1970/Compts-2/2009, dated: 14-5-2009

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ORDER: -

In the Government order first read above, the Commissioner of Police, Hyderabad, has been appointed as “Competent Authority” among others under sub section (1) of Section 4 of Andhra Pradesh Protection of Depositors of Financial Establishments Act, 1999 (Act. No.17 of 1999).

2. The Commissioner of Police, Vijayawada / Competent Authority, has reported that one Sri Kona Venkatanarayana, Managing Director, M/s. Sri Sailatha Chit Fund Company, Vijayawada, started M/s. Sri Sailatha Chits and M/s. Srilatha Financiers, a finance business in 1995, and collected lakhs of rupees from the public in the shape of deposits and chits and acquired properties out of the money so collected. Sri Kona Venkatanarayana met with an accident on 10.3.2009 and died. Smt. K.Malleswari, W/o late Venkatanarayana, one of the Directors at the time of registration along with her sons (1) Sri Kona Srinivas and (2) Sri Kona Sriram Kumar, S/o Late Venkatanarayana, r/o Flat No.106, Sriram Towers, Brundavan Colony, Labbipet, Vijayawada, and Sri Penneru Veera Venkata Mohan Rao, S/o Raghava Rao, 43 years, Manager, M/s. Sai Latha Chit Fund Cmpny and Sri Latha Financiers Vijayawada, R/o Bhagat Singh Road, Satyanarayanapuram, Vijayawada, created confidence in the minds of the public and later on failed to keep up the confidence in the minds of depositors, evading payment of deposits and cheated the depositors and put them to grave hardship and mental agony.

3. The Commissioner of Police, Vijayawada, has further reported that the public preferred report against Sri Sai Latha Chit Fund Company stating that the deposits made by the public are not returned inspite of repeated demands by them. Machavaram Police on a complaint from Sri K.Saibabu, S/o Kutumba Rao, D.O.No.32-14-11, Flat No.S1, Sreya Towers, Jammichettu Center, Mogalrajpuram, Vijayawada, and 23 others (defacto complaint) registered the same as case in Crime No.212/2009, Under section 420 & 506 IPC, Sections 4 & 5 Prize & Chit Money Circulation Schemes (Banning) Act, 1978 and under sections 3,4 & 5 Andhra Pradesh Protection of Depositors of Financial Establishments act, 1999. Investigation revealed that Sri Kona Venkata Narayana floated M/s. Sri Sailatha Chit Fund Company and Srilatha Financiers in 1995, collected chits and deposits from public and organized chits business and collected huge amounts and purchased several valuable, immoveable properties and thus misappropriated the funds and died in an accident on 10.3.2009. Smt. K.Malleswari, Director at the time of registration and his wife along with (1) Sri Kona Srinivas and (2) Sri Kona Sriram Kumar being the sons and legal heirs of the properties of their father, held meetings with the depositors and assured them of returning their deposits/chit amounts. But they failed to keep up their commitment and started evading payments or never tried to instill any confidence of repayments to the depositors. Further, they are trying to evade repayment to the depositors with mala-fide intention to cheat the depositors. The depositors are also alleging that the said Finance Company is acting in a prejudicial manner to the interests of deposits for their wrongful gain and thus cheating them.

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4. On verification, it is found that the following properties are in the name of Kona Venkatanarayana and his legal heirs, which are learnt to have been procured from the deposits/chit amounts:

- (1) “Kona Heights” Shopping Complex (five storied building) in 550 Sq.Yards, located in D.No.38-8-7, NTSS No:376, Punnammathota, Vijayawada bound on East – Property of Ivaturi Mahalakshmi; West – Mpl.Corn. Road; North – Bundar Road; South – Property of Ivaturi Viyyanna Panthulu. (Document mortgaged in ICICI Bank to a tune of Rs.3 crore).
- (2) Ground Floor in 771 Sq.Yards in Door.No.39-10-2, Assessment No.26092, Labbipet, Vijayawada bound on East – Property of M.Venkataratnam; West – Mpl.Corpn. Road; North – Mpl.Corn. Road; South – Property Adimoolam Anjanadevi. (Document mortgaged in Andhra Bank, Suryaraopet Branch, Vijayawada, to a tune of Rs.3 Lakhs).
- (3) Vacant land in 2000 Sq.Yards in R.S.Nos.841/2, 841/1A (Plot Nos.22, 23, 24, 25, 48, 49, 50, 51), Nunna (V) of Vijayawada Rural Mandal bound on East – 40 feet road; West – 40 feet road; North 40 feet road; South – Flat No.26, 47
- (4) Fruit Juice Shop in 35 Sq.Yards in D.No.29-37-110, Eluru Road, Vijayawada bound on East – Kanaka Durga Towers & Travels; West – Venkata Lakshmi Tea & Cool Drinks Shop, North – Mpl.Corpn. Road; South Mpl.Corpn. Road. (Documents mortgaged to Venna Nageswara Rao for Rs.50 Lakh).
- (5) Flat No.106, Sriram Towers, Labbipet, Brundavan Colony, Vijaywada (Pent House).

5. It is learnt that the accused legal heirs of Kona Venkatanarayana are trying to dispose off their properties on binami names of otherwise to avoid the payments and thereby cheated the depositors.

6. In the circumstances stated above, the Commissioner of Police, Vijayawada / Competent Authority has requested the Government to pass an ad-interim order for attachment of the properties of Sri Kona Venkatanarayana and his legal heirs of Sri Sailatha Chit Funds Company and M/s. Srilatha Financiers, Vijayawada, as shown in Para ( 4 ) on above in this order, in order to protect the interests of the depositors, under Section 3 of the Andhra Pradesh Protection of Depositors of Financial Establishments Act, 1999, (Act No.17 of 1999) provides for attachment of properties of accused who defaulted in return of deposits in cash or kind after maturity or any manner agreed upon.

7. Government have considered the matter and after careful examination hereby pass an ad interim order, under Section 3 of Andhra Pradesh Protection of Depositors of Financial Establishments Act, 1999, (Act No.17 of 1999), for attachment of the properties standing in the name of Sri Kona Venkatanarayana and his legal heirs, as shown in Para ( 4 ) on above in this order.

8. The Commissioner of Police, Vijayawada / Competent Authority is hereby directed to take necessary further action as per the said Act and Rules, in the matter.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

AJOYENDRA PYAL,  
PRINCIPAL SECRETARY TO GOVERNMENT

To  
The Commissioner of Police, Vijayawada / Competent Authority

Copy to:

The concerned thro the Commissioner of Police, Vijayawada / Competent Authority  
The Commissioner & Inspector General of Registration & Stamps, A.P., Hyderabad  
The P.S to Minister for ( Home / Finance )/ Law Department  
Sf/ Sc.

//FORWARDED::BY::ORDER//

SECTION OFFICER